But to the extent it is not possible we will have to wait for another Budget. Thank you.

DISCUSSION ON THE WORKING OF THE MINISTRY OF POWER

THE VICE-CHAIRMAN (SHRI MD. SALIM): Now we will take up the discussion on the working of the Ministry of Power. Shri S.B. Chavan is to initiate the discussion.

THE MINISTER OF STATE IN THE MINISTRY OF POWER (DR. S. VENUGOPALACHARI): Sir, I have a request to make. After 6 o'clock I will ask one of my colleagues to take notes. After 6 o'clock I have some business in the Lok Sabha. I will ask one of my colleagues to take notes.

THE VICE-CHAIRMAN (SHRI MD. SALIM): You have to be there. One of the Ministers will take notes. ...*(Interruptions)*...अब एक तो है प्रधान मंत्री जी ने चेयरमैन साहब को इत्तेला दी है कि वह नहीं रह पायेंगे क्योंकि वह लखनऊ जा रहे हैं, लेकिन उनके मंत्री रहेंगे यहां रिपोर्ट देंगे।...**(व्यवधान)**... ठीक है।...**(व्यवधान)**...

श्री सतीश अग्रवाल: पॉवर मिनिस्टर कौन है?...**(व्यवधान)**...

उपसभाध्यक्ष (श्री मोहम्मद सलीम): वेणुगोपालाचारी जी। ...**(व्यवधान)**... वही वह कह रहे हैं...**(व्यवधान)**... वह यही बात कह रहे हैं कि उस सदन में भी बिज़नैस है इसलिए दूसरे मंत्री उस वक्त नोट लेंगे।...**(व्यवधान)**... अभी 6 बजे तक तो वह यहीं हैं।...**(व्यवधान)**...

SHRI SATISH AGARWAL (Rajasthan): We will discuss it up to 6 o'clock. We have a meeting at 6 o'clock.

उपसभाध्यक्ष (श्री मोहम्मद सलीम): चव्हाण जी को बोलने दीजिए। आजकल वह बहुत कम बोलते हैं।

श्री सतीश अग्रवाल: और अच्छा बोलने वाले हैं, ऐसा सुना है।

SHRI S.B. CHAVAN (Maharashtra): Mr. Vice-Chairman, Sir, I must express my gratitude to the hon. Chiarman for allowing a discussion in Rajya Sabha on the working of at least two Ministries. The discussion on the Power Ministry has been taken up first. We would like to know as to how the whole thing has worked for the last five years because this happens to be the last year of the Eighth Five Year Plan. It becomes absolutely necessary to find out as to how we have been able to perform and achieve the target that was set in the beginning of the Eighth Five Year Plan. I was under the impression that the Mid Term Review must have been taken by the Government and they would come before the House in order to apprise all of us how they have applied the correctives. While looking at the figures I was really surprised with the kind of economy that Mr. Chidambaram was talking about. A very essential infrastructural input happens to be power. So far as irrigation is concerned, he himself has said that the rate of growth has come down to point nine per cent. Now if the achievement in the power sector comes down so considerably, then, of course, it is a cause for anxiety. When we frame the Ninth Five Year Plan, I would expect from the Government to come forward with the kind of correctives that they have applied in order to see that similar kind of slippages don't occur and we are able to achieve what we have decided for ourselves. According to this survey, they anticipated [THE VICE-CHAIRMAN (SHRI G. SWAMINATHAN) *in the Chair]* that a minimum of 48,000 megawatts will be able to meet the requirement of domestic, agricultural and industrial sectors and the kind of rate of growth of economy which the Government is talking about. If this very important infrastructural input is not there, I am sure, there will be a different atmosophere altogether. You will be committing the greatest blunder by not providing enough power to essential sectors.

Mr. Vice-Chairman, Sir, I have some figures with me. The Survey indicated the

requirement of 48,000 megawatts and looking to the external and internal resources available to the National Development Council, it was a conscious decision taken by the Government that they will be able to just have 30,538 megawatts of additional power during the course of the Eighth Five Year Plan. I am very happy that the report of the Standing Committee on Energy for 1996-97 is with me where the extracts from the reply given by the Energy Secretary have been incorporated. The report gives us to understand that the money which has been provided falls short of expectations. Even if 30,000 megawatts has to be provided at the rate of Rs. 3 crores per megawatt, the minimum requirement will be Rs. 90,000 crores for generation of power. You go through the entire exercise which has been done. We have the figures for the last four years and we have the estimated figures for the fifth year. In 1996-97, 400 megawatts were ascribed to the nuclear power which was to come from Karnataka. It has to be excluded.

Even in the case of the rest of the figures, we will not be able to achieve the targeted goal of 30,000 MW. We will be able to achieve about 17,000 or 17,500 MW. In terms of percentage this comes to 57 per cent. If 57 per cent is the achievement in the power sector, you can well imagine the plight of industry and the plight of agriculture. As it is, there are a large number of people who want their pump-sets to be energised. They do not depend upon you. They have to buy diesel and diesel has become costly. The agriculturist has to buy diesel so as to be able to produce sufficiently. I think this is a disincentive and the Government should understand this and find ways and means to correct this. At the commencement of the Plan, an atomosphere was created as if you do not have to bother. It was felt that neither the Central Goverment nor the State Government need to bother to provide for necessary funds which would be required for producing additional 30,000 MW of power. Everybody was under the impression that we would get enough money from outside. Externally aided projects would be there and enough external assistance would be available. Some figures have been given in the report. How many projects were offered? It was said, a huge amount of money is going to come. But thereafter, I find that even in the case of private sector which takes care of the money which comes from outside, there is a shortfall. This has been the case in the Central sector, the State sector, the private sector and even in the nuclear sector. The worst affected is the nuclear sector. This clearly shows that they could not achieve the targeted figure and there is a huge shortfall in the production of power. Now we have to consider as to why they had to give this explanation. Three reasons have been mentioned by the Secretary and these have been included in the report which I have with me. I am happy that the Standing Committees are going deep into the matter and trying to provide information which otherwise would not have become available to us. So, I can say this without any fear of contradiction. The Secretary seems to have an impression that the externally aided projects have a very complicated procedure. I don't think this is the first time that we are going in for external asistance. Continuously, for the last 10 to 15 years, we have been getting external aid. I think, the World Bank, the Asian Development Bank, Germany, Japan and the UK are the five sources from where we get money. They have prescribed certain conditions to you. I was really surprised that the Secretary himself said, "I have negotiated a loan for a Maharashtra project." What is the condition which the World Bank has laid down? They say that according to the Electricity Supply Act, you have to provide for three per cent return on the money that you have invested. Are you getting this? I am told that in Maharashtra, it was 1.4 to 1.5 per cent. So, Maharashtra is also out. This is one of

the conditions. There is another condition and the Secretary has been quoted in the report.

He says: "NTPC has a project and it is expected to have overdues only for two months." He admits that 'projects are mostly having about six months' overdues. This clearly shows that wherever such overdues are there, even the public sector undertakings will not be eligible, will not qualify for getting the external assistance which is required. That is why I was very particular when I put a supplementary in the context of Gujarat. I was really surprised with what the Minister said and I am sorry that even the Prime Minister was very evasive in giving the reply. They say that the CEA is not supposed to look into this aspect of the question. Mr. Brahmakumar Bhatt, who was the Chairman of the Electricity Board, Gujarat, stated on the floor of the House that at a lower tariff, the company had agreed with the Gujarat Government and it was prepared to give them that project. And he said that at a much higher tariff rate, the subsequent Gujarat Government agreed to that project. I was just trying to get confirmation from the Minister of Power. And, surprisingly, even the Prime Minister had been evasive that day. What is the tariff? This tariff is decided by the State Government. When you give a counter-guarantee, what is it that you do? As Central Minister, he is supposed to go deep into this matter and find out whether the State Electricity Board is in a position to pay back the amount which it has borrowed. If it was to fail, then the Central Government would be held responsible if this provision of the counter-guarantee was invoked by the companies or by some of the external-aided agencies. If they are to invoke that article in the agreement, then you will be duty-bound to pay the amount which is, in fact, required to be paid by the State Electricity Board. I am sure that this aspect also is known to the Government. I don't think that you have agreed for giving a counter-guarantee without understanding the problem. When I went through this Report, I was given to understand that there were eight Electricity Boards for which the counter-guarantee was proposed to be given. I would like to understand from the Ministry as to how far it is true that both the conditions which they are prescribing, namely the three-per-cent-return to be given by the respective State Governments and the over-dues for not more than two months, are properly adhered to. Are they going to agree to these things? I am sure that while you negotiated this loan and before you signed the agreement, this aspect of the question must have been borne in mind by you. Or is it that you just thought, "We will just sign the agreement and see that the money becomes available. Thereafter we will try to plead with them that these are the circumstances under which we have not been able to take advantage of the loan."? Sir, I am given to understand that the loan to the extent of Rs. 167 crores has been cancelled by the external agencies. You are paying almost Rs. 97 crores as a commitment money to these different agencies. If this practice is to continue, then, certainly, I would like to understand what the basis is on which you are going ahead with it. If the proportionate money which was supposed to be provided by the State Government in its Budget has not been taken care of while deciding the Annual Plan, I am sure that the Planning Commission owes an explanation to this House. When they discuss the Annual Plan, the guarantee to be given by the Governments and the proportionate money which they have to provide in the Budget, we cannot, later on, turn around and say "We just do not have the resources and we cannot possibly do this."

These have to be properly tied up. I would like to know whether you have been able to create a capacity of producing coal which is required for these thermal power stations. After four years if you are to wake up and thereafter say, that "No, no. this aspect remains to be looked into," at this late stage, you are

trying to find out as to whether there is enough coal for providing thermal power which, in fact, has been the mainstay —unfortunately for us, we have been emphasising only on thermal power and exhausting all our coal resources—I do not think that this is a wise policy to be followed. We have to have a good mix of hydropower, thermal power and the new area about which we, in fact, were very hopeful, that the atomic power stations should be able to provide enough power for us so that we do not depend only on thermal power stations. But, unfortunately, the kind of mix that we have, we had reached a percentage of 50 per cent, 50 per cent was hydro-power and 50 per cent was thermal power. But as things stand today, it is 25 per cent hydro power and almost 75 per cent thermal power which, in fact, is a tremendous amount of imbalance and the kind of peaking capacity that we required in this country, in fact, we are going to fall short tremendously on this count. On the energy requirement itself your figures clearly show that you cannot possibly meet the demands of all the section of the society. You are going to fall short of it. And besides that, the power which we get, in fact, can be utilised for peaking capacity and this is also in short supply. On both counts you are going to fall short. First of all, I would like to understand whether you have been able to utilise the money properly. Thereafter the question of giving more money will definitely come. Every Department would like to have greater resources at its disposal; certainly nobody can object to it provided you have been able to make use of it. If the land acquisition would start after the whole thing has been cleared and it takes about three to four years to finalise the land acquisition, then you can difinitely rest assured that project can never produce the result that is expected of it. So my request to all of you specially the Minister in charge, will be that he has to convince us.

Very general kind of explanations are normally given—land acquisition took some time, placing orders took some time, suppliers also took their own time, the State Government also did not do this and did not do that. These are general explanations which are normally given and if that is going to satisfy the hon. Prime Minister and the Energy Minister then I can well anticipate what the fate of this country even in the Ninth Five Year Plan can be. We are talking in terms of achieveing a rate of growth of about 7.5—8 per cent. If both in agriculture and industry, you are not able to provide the important factors which are very much called for, then, of course, you can understand what is going to be the fate of agriculture and industry and in both the sectors if you are not able to produce the kind of results that are expected, it is bound to have a cumulative effect on the economy as a whole. That is why I am very clear in my mind, at least from the figures—I have not drawn the figures from anywhere else. It is your own figures which have been compiled in the Standing Committee reports. I have seen your Administrative Report, I have seen the Performance Budget and from the Performance Budget part of it, I am absolutely clear in my mind—that greater thought needs to be given to this problem. You cannot possibly get away with this kind of performance and shift the entire blame either to the State Government or to some other agency. You also owe an explanation to this House as to why it is that instead of 48,000, 30,000 has been the target and even that you could not achieve.

You are now able to achieve 57 per cent of 30,000. Now you talk in terms of providing power to every sector, which according to me, is a very tall claim. I have seen the figures. The Budget provision for five years is 49,000. Even the modest target that I quoted, three crores per megawatt gives the figure of 90,000. When you look into other aspects of private sector targets for the Eighth Five Year Plan, it was supposed to give a figure of 10 megawatts and the total

comes to 2,057 only. So, even this modest target which was given to the private sector could not be achieved. This is the only good feature, which according to me, is quite possible, but no attempt has been made in this regard. I am sorry to say this. In fact, I wanted to be more critical on these issues, but it is better for me to just give the points so that you may consider these aspects of the question. I don't find any reason as to why the plant load factor cannot be increased. Even one per cent increase in the plant load factor saves a tremendous amount of money. At least this is the additional power, which in fact, you are going to make available to the country as a whole. Seventy-one per cent is the performance of the Central sector undertakings and 57 per cent seems to be the plant load factor which they have been able to achieve in the State sector. Actually, we had achieved 62 per cent much earlier. It has come down to 57-58 per cent. If this is improved, then this will also be additional power which, in fact, becomes available to the country. These are the two areas where sufficient attention has not been given. I don't find any justification as to why you are not able to achieve the plant load factor.

I have also gone through the transmission losses which, in fact, were very low in the beginning of the First Plan. Now there is going to be a tremendous amount on this account and its average comes to about 22 per cent. This is the average transmission and distribution losses for the country. But, there is an example of DESU which has no reason to say that these losses have occurred because of long distances or some kind of other facility which should have been provided. What are the transmission losses in DESU? It comes to 40—50 per cent. There is the Indraprastha generating station next door to DESU, yet its transmission losses are between 40—50 per cent. The international figures for losses are below ten per cent. If the international figures are ten per cent and with the Indraprastha station just next door to DESU and the transmission losses are going to be of the order of 40—50 per cent, then there is something basically wrong with it. A tremendous amount of theft is involved in it. In spite of all the instructions which were issued to DESU, it could not show any improvement and things are going on like this. If you provide any power to DESU, whether it is NTPC or NHPC, how are you going to over come the difficulty of convincing these external agencies? Some one-and-a-half years back I had seen the outstanding of DESU and at that time it was Rs. 3,500 crores. They owe it. They have not been paying to Coal India at all. They have not been collecting the money. They have been giving connections. Giving connections is all right. How many connections are there? If you just cross the road, you will find that there are unauthorised connections everywhere. No money is being collected. There is a loss of 40-50%. You have to justify it and then the average comes to 20%. This is an area where a tremendous amount of attention is required. Unless you look into this aspect, I am sure, things are going to be much worse than what they are today.

I would like to emphasise that there is something wrong. I do not know why. I found in France and all over Europe, nuclear power is the basic power now. There is no question of any hydroelectric power. Very few thermal power stations are there. Huge power generating units have been set up having a capacity of 10,000 MW, 15,000 MW from nuclear power stations. For five years we had kept a target of 1,100 MW. According to my information, it would not even exceed 400 or 440 MW. That is also doubtful. I am not quite sure because ultimately this is a kind of anticipated figure for 1996-97. One project is out now. Rest of the projects, I do not know how long they are going to take. There is something wrong basically. Somebody has to go deep into the matter and find out why nuclear power is not able to come to our

assistance and solve the problem of shortage. I will also plead with the Government to see that this mismatch between the hydroelectric and thermal power stations is corrected properly. If the thermal power station is to come in time, you have to start seven years before. If you start, an initial investment you have to make and you have to synchronise it in such a manner that the seventh year comes within the Plan period. If you have not made the initial investment and if you start with the Plan period, then, of course, you can be sure that this project will never come through. Hydroelectric power stations also takes about 7-8 years as a gestation period. There also the same thing is there. Unless the project is cleared, no investment will be made. Can you differentiate between the initial investment and thereafter the investment for production of power? A beginning has to be made for initial investment to create the necessary infrastructure to see that everything is ready and when the Plan period starts you should be in a position to make investment in a proportionate order. If that is not done, I do not know what kind of planning is this. If you have failed in planning properly, then, of course, you cannot get away by saying, "No, no, such and such are the factors which were responsible. We want both the Houses of Parliament to agree because we have a good case. We wanted so much money but the money has not been provided." Have you made efforts to utilise the money in a proper manner? You should give a proper account of yourself. Have you done that? Had you come with that to the Parliament to ask for any additional money, then, of course, you have every reason to expect support from the Parliament. At this stage, at least, we do not feel convinced that what was required from you, both in the domestic sector and external agency sector, the Central and the State Governments, has been done. Both have failed and that is why you have to go deeper into the matter so that you do not commit the same kind of blunder. I would not call them mistakes now. These are the blunders that you have committed. You may not be that much responsible. You predecessors are there. It is a continuous thing. Whether it is this Government or that Government, that matter is irrelevant. You have to look at the things from the point of view of the country. It is the country which wants so much of power. You say, "For some reason or the other we are not able to discharge our responsibilities properly." Then, of course, you cannot get away by saying that everything is transparent. What is transparent?

This failure is transparent. This kind of a thing is not going to convince anyone. So, my request to the hon. Minister and also to the Prime Minister will be to look into all the aspects of this question. Please do not take this matter very lightly and say that with just 58 per cent we are satisfied. This kind of an explanation is not going to convince anyone. Sir, I must thank you for a patient hearing.

PROF. NAUNIHAL SINGH (Uttar Pradesh): Mr. Vice-Chairman, thank you very much for giving me this opportunity to speak. Sir, power is the lifeline of people and the nation. Although power generation and its distribution is a highly important subject, yet it has been miserably ignored by successive Governments. Sir, as a result of this, barring a few exceptions, the power situation in most of the States is grim. New Delhi is facing an unprecedented crisis. Haryana and Madhya Pradesh are suffering from power shortage. In Bihar, long spells of power cuts have become endemic. In Maharashtra, the State's grid collapsed recently. Even Goa has experienced power crunch recently. Andhra Pradesh and Karnataka are reeling under acute power shortage. Power shortage in Karnataka is about 36 per cent. In Andhra Pradesh, the shortfall is 28 per cent. In Kerala too, there is shortfall with its energy availability estimated at 5,504 Mega Units against the projected demand of 6,670 MUs. In Tamil Nadu, the availability may fall

short of demand by 12 per cent. Among the Southern States, Sir, Andhra Pradesh is going through its worst power crisis in three decades and has imposed a 70 per cent power cut on high tension consumers. Andhra Pradesh, Tamil Nadu and Karanataka are highly vulnerable to power shortages if the monsoon rains are inadequate. Even with a modest improvement in the plant load factor, say, one or two per cent, the thermal plants can yield at least 450 MW of installed generating capacity. Sir, one can surely meet this crisis if there is a determined will on the part of the Government. Severe power cuts ranging from 40 to 70 per cent in the Southern States may curtail production in agricultural and industry. As a part of the liberalisation programme, the policy for privatisation of the power sector is in the right direction. There has been considerable enhancement in the installed capacity from a meagre 1,362 MWs at the time of Independence to 76,718.21 MW as in March 1994. But, the country continues to face shortages. Peak hour and general energy requirements are falling short by 20.5 per cent and 8.5 respectively. The contribution of private sector is only four per cent out of the total installed capacity. The country achieved a capacity addition of 21,401.64 MWs during the Seventh Five-Year Plan and embarked upon a targeted capacity addition programme of 30,538 MW. Even with this capacity addition programme for the Eighth Plan, it is feared that it may fall short of targeted capacity owing to financial constraints. Due to inadequate resources for the power sector, the energy shortage was 6.7 per cent in 1985 and 7.9 per cent in 1990. It is likely to increase to 9 per cent in 1997 even if the target of 30,538 MW is achieved. Substantial amounts of loan have been extended to the Indian power sector by the World Bank, ADB, OECF of Japan, erstwhile USSR, KWF of Germany, UK and certain other countries of the world. It is shocking to know that a huge amount of external aid to the power sector remains unutilised due to various factors, and the most important being non-provision of matching funds by concerned State Governments. To encourage private entrepreneurial efforts, the Indian Electricity Act of 1910 and the Electricity Supply Act of 1948 have been amended to bring about new legal, Administrative and financial environment for private enterprises. The total power generation through non-conventional sources was about 500 M.W. in 1994-95. The potential of non-conventional energy sources is 80,000 M.W. from Tidal, Ocean Wave and Ocean Thermal Energy Conversion, that is called OTEC. An agreement has been signed to set up a 100 M.W. Ocean Thermal Power Plant, the first of its kind in the world, in Tamil Nadu, and this was all due to my personal efforts for the last ten years. Besides mopping up foreign investment and tapping non-conventional energy sources, the Government laid special emphasis on brining about improvement in the performance of S.E.Bs. and P.L.F. from 1% to 3%. As a result of these concerted measures, there has been an increase in the rate of return.

The Centre undertook a modernisation programme as an important step to bridge the gap between the supply and the demand of power. However, by the end of the Eighth Plan i.e., March, 1997, only 12,500 M.W. of additional power capacity would have been created against the original target of 31,500 M.W. It is hardly a healthy reflection of the Government's ability to attract investment that the private sector has not evinced enough interest in projects having a long gestation period, even under liberal terms. If the rejuvenation of State Electricity Boards is to be the litmus test for the power development programme, then it is time to write its obituary. Sir, all major ills of S.E.Bs.—low oprerational efficiency, irrational tariff structure involving heavy cross subsidisation, huge transmission and distribution losses and mountaining outstandings that impair their ability to settle bills of suppliers like Coal India and NTPC—persist. The upshot is

that the commercial losses of S.E.Bs. have mounted from Rs. 4,117 crores in 1991-92 to Rs. 10,096 crores for 1996-97. The additional to generation capacity during the Eighth Plan is likely to be only two-thirds of the target of 30,537 M.W. A senior World Bank official, Shri Kary Nyman said recently that the annual loss in the power sector in India exceeds $ two billions and unless strong measures are taken, the country would face a serious crisis and drop in investment in future. He further said that owing to a 30,000 M.W. gap in demand and supply, the country is heading for long power-cuts which will hinder industrial and agricultural growth.

By the end of the Ninth Plan, India will face a peaking shortage of 2.3 per cent, even if all the capacity additions projected by the Central Electricity Authority come about. To avoid the peaking shortages looming large over the horizon, we need to take a serious look at options other than new capacity additions to balance demand and supply of electrical power. Energy efficiency and demand-side management programmes are options which have enjoyed a certain degree of success in many developed and developing countries. The programme seeks to enhance the efficiency of electrical equipment while maintaining the same or improved performance levels. The National Energy Efficiency Programme of the Government of India has targeted savings of about 5,000 M.W. to be realised by the end of the Eighth Plan through, both demand side and supply-side efficiency improvements. To improve energy efficiency and encourage DSM, appropriate interventions, as available in the international field, have to be applied. For that purpose, we need to follow certain principles, policy initiatives, economic instruments and information dissemination.

The current duty regime on power plants has only succeeded in making power more expensive to the consumers and the end-users. According to independent power producers, the current import duty on imported parts of power plants needs to be abolished absolutely, as it indirectly adds to the power cost. Even if the current import duty is not abolished, a reduction in the duty is imperative for encouraging the use of state-of-the-art power equipments which, due to its efficiency, is able to deliver lower fuel and energy costs for power projects and the State Electricity Boards.

A lower duty regime would also encourage the domestic equipment producers to be competitive internationally, thereby opening up a vast export market for their products.

The import duty and other duties levied on fuel sources for power plants also need to be reviewed. The countervailing duty on naptha stands at 10 per cent, whereas, that on distillates is closer to 30 per cent. As such, the tax is self-defeating because this again results in a high cost of power, the basic input for all the other industries.

Import duties on capital equipment and fuel can be abolished. It would not only lead to a lower cost of power for the Indian consumer, but it would also reduce the overheads that companies have to incur while clearing projects and fuel supplies through the customers. This would help in the quicker implementation of power projects in the country. It is also expected that the tax holiday which has been granted to the power sector and which is due to expire in 1998 would be extended further to allow upcoming projects to produce power at the reduced rate.

Unfortunately, this vital national issue has not been debated in depth in Parliament, to the extent it deserves. Power is a highly technical subject. It is never understood and perhaps, this is the main reason why the seriousness of the issue has not been gauged by our policy planners. It calls for a greater involvement of experts in power planning. The summer of 1997 may put

the power utilities to a real test. The fears that are being voiced are not unfounded. The scenario is quite scary. Today, nobody is prepared to accept the responsibility to bring the country out of this chaotic situation. The immediate task of the new Government at the Centre may, therefore, be to salvage the nation out of the imminent power crisis.

Lastly, I strongly plead that the Government should come forward with a white paper on the power sector. It should provide an in-depth assessment of the power sector performance and failures. There should be a detailed discussion in Parliament on this crucial, infrastructure sector on which depends the economy's accelerated growth. Thank you.

SHRI PREM CHAND GUPTA (Bihar): Thank you, Mr. Vice-Chairman, for giving me an opportunity to speak on a subject which is of national importance today.

Sir, there is no single sector related to economic growth which is not dependent on energy. In the present context, our main aim should be to focus on this most important factor.

If we look at the power sector, in the last fifty years, we have reached an installed capacity of 83,000 MW as against 1360 MW when we got Independence. At the time of Independence, we had 3,000 villages which were electrified. Today, we have 5 lakh villages which are electrified. Sir, 1.10 crore pumps have been energised as against 21,000 pumps energised at the time of Independence. The per capita consumption of electricity has gone up to 314 units per person as against 15 units per person. But, Sir, this achievement is not sufficient, is not something which is remarkable. In the developed countries, today the power consumption is over 2,000 units per person.

Sir, if we look at the capacity addition and outlays during the various Plan periods, we would see that the capacity addition is going down Plan by Plan. In the Seventh Plan we planned to generate 21,401 megawatts whereas in the Eighth Plan we revised our estimates and decided to generate or add only 18,000 megawatts. As against a target of 48,000 megawatts, first it was revised to 30,500 megawatts and ultimately we would be ending up with something like 18,000 megawatts. Thus there is a great imbalance as far as capacity addition is concerned. One is the imbalance between thermal and hydel, as indicated by hon. Chavan Saheb, but I want to refer to the regional imbalance also.

Sir, I am not talking for or against any particular State, but I just want to draw the kind attention of this august House to the fact that there is a complete imbalance as far as the power generation capacity is concerned. In Maharashtra the installed capacity is 10,027 megawatts, in U.P. it is 6,074 megawatts, in Gujarat it is 5,328 and in Andhra Pradesh it is 5,207 whereas in a State like Bihar, which is the second most-populous State, it is only 1,768 megawatts. If you look at Orissa, again, it is only 1,691 megawatts. Sir, both these States have numerous resources as far as coal deposits and hydel possibilities are concerned. But our planners have not given due consideration to a balanced regional development as far as power generation is concerned. I would request the Government to keep this point in mind, so that there is a balanced economic development, at least while planning future power plants.

Now I come to the plant load factor of thermal power plants. Our Central power plants have a plant load factor of 70.9 per cent whereas the States have only 58 per cent and the private sector has 72.3 per cent. Thus, on an average it is 63 per cent. So you see that as against 83,000 megawatts of installed capacity if our plant load factor is only 63 per cent, that means our generation capacity is only about 50,000 megawatts, which is much below the actual requirement. As far as

plan load factor is concerned, we commend our private sector as well as Centrral companies like NHPC and NTPC, where the plant load factor is very close to the international standards. But, I will still say that if more effective measures are taken to achieve a better plant-load factor, that would give a great advantage to our power sector.

Sir, we have a great shortage of electricity all over the country. You take any region in the country. There is a shortage. According to the estimate indicated by the Department, in 1989-90 there was a power shortage of 16.7 per cent at the peak hour, and the energy shortage was 7.9 per cent. This had been the average since then, but in 1995-96 it went up to 18.3 per cent and 19 per cent. In my opinion, the gap between the demand and the supply is much more because 70 per cent of the industry uses stand-by generating sets to meet their power requirement. I wonder if our planners have taken into account that portion of the power produced to meet shortage. I am of the firm view that the shortage exceeds 35 per cent.

Sir, the net effect of the shortage and the growing gap between the demand and the supply is causing a great setback to the growth of the industry, our GDP our exports and, at the same time, it is causing great inconvenience and discomfort to our society. If we are to ensure economic progress, we have to ensure that large power generation capacity is installed as soon as possible. Otherwise, we would be left behind, and there would be no way to catch up with the growing demand. Sir, the transmission and distribution loss is matter of great concern. In the year 1991-92, 22.83 per cent loss was shown on this account. It came down to 21.8 per cent in 1992-93, and in 1994-95 it further came down to 20.86 per cent. We notice from the statistics given that nothing much has been done on this account. In other developing countries the transmission loss is within 7.to 8 per cent. if we look at our figures, inspite of the fact that the availability of the power transmission lines is almost 98 per cent, the transmission loss figure is a matter of great concern. There is theft, and this needs to be looked into.

SHRI SATISH AGARWAL: Mr. Vice-Chairman, it is going to be six o'clock now. The hon. Speaker of the Lok Sabha has called a meeting of the Governing Body of the Constitution Club. All the Members are expected to go over there. It meets hardly once in two years.

THE VICE-CHAIRMAN (SHRI G. SWAMINATHAN): If it is the desire of the House to continue, we will continue.

SHRI SATISH AGARWAL: Tomorrow.

THE VICE-CHAIRMAN (SHRI G. SWAMINATHAN): There are other speaker also.

SHRI SATISH AGARWAL: If there are other speaker and then he will reply, then, I do not know what the sense of the House is.

THE VICE-CHAIRMAN (SHRI G. SWAMINATHAN): It is left to the House. If it wants to adjourn for the day and continue with this matter tomorrow, we will do so.

SHRI GAYA SINGH: Tomorrow.

SHRI SATISH AGARWAL. Tomorrow, Mr. Vice-Chairman. Make it clear that the debate on power will continue tomorrow.

THE VICE-CHAIRMAN (SHRI G. SWAMINATHAN): This matter will continue tomorrow.

SHRI SATISH AGARWAL: Thank you very much.

THE VICE-CHAIRMAN (SHRI G. SWAMINATHAN): Now the House is adjourned till eleven o'clock tomorrow.

The House then adjourned at six of the clock till eleven of the clock on Tuesday, the 10th September, 1996.